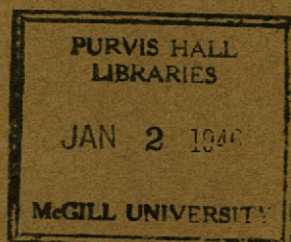
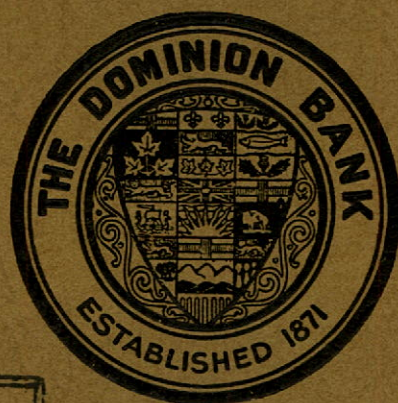


THE DOMINION BANK



**SEVENTY-SECOND
ANNUAL REPORT
31ST OCTOBER 1942**

SEVENTY-SECOND ANNUAL REPORT

1871

1942



THE DOMINION BANK

31st OCTOBER, 1942



BOARD ROOM
THE DOMINION BANK, TORONTO

THE DOMINION BANK

ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL PAID UP - - - - \$7,000,000

RESERVE FUND - - - - - \$7,000,000

UNDIVIDED PROFITS - - - - \$ 866,501

31ST OCTOBER, 1942

THE DOMINION BANK

BOARD OF DIRECTORS

PRESIDENT

C. H. CARLISLE,	TORONTO.	{	Chairman of the Finance Committee and
		{	Director, The Goodyear Tire & Rubber Company
		{	of Canada, Limited.
		{	President, Canada Bread Company, Limited.
		{	Director, Canadian General Investments, Limited.
		{	" Dominion Bridge Company, Limited.
		{	" Montreal Trust Company.

CHAIRMAN OF THE BOARD

C. A. BOGERT,	TORONTO.	{	Director, The Canada Life Assurance Company.
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VICE-PRESIDENTS

R. S. McLAUGHLIN,	OSHAWA.	{	President, General Motors of Canada, Limited.
		{	Vice-President, General Motors Corporation.
		{	Director, Canadian General Electric Co., Limited.
		{	" Canadian Pacific Railway Company.
		{	" The Consolidated Mining & Smelting
		{	Company of Canada, Limited.
ROBERT RAE,	TORONTO.	{	" The International Nickel Company of
		{	Canada, Limited.
		{	" McIntyre-Porcupine Mines, Limited.
		{	" Moore Corporation Limited.
		{	" The Royal Trust Company.
		{	General Manager, The Dominion Bank.

DIRECTORS

COL. THE HON. HERBERT A. BRUCE, M.D., F.R.C.S. (ENG.), LL.D., M.P.	TORONTO.	{	President, Federal Fire Insurance Company.
		{	Vice-President, The Trusts & Guarantee Co., Ltd.
		{	" Wellington Fire Insurance Company.
R. Y. EATON,	TORONTO.	{	President, The T. Eaton Co. Limited.
		{	Director, National Trust Company, Limited.
		{	General Manager and Director, Beaver Lumber Company, Limited.
R. J. GOURLEY,	WINNIPEG.	{	Member, Canadian Committee, Hudson's Bay Company.
		{	Director, The Home Investment & Savings Ass'n.
		{	" Manitoba Bridge & Iron Works, Limited.
		{	" The Monarch Life Assurance Company.
		{	" The Northern Trusts Company.
COL. THE HON. E. W. HAMBER, LL.D.,	VANCOUVER.	{	Western Steel Products Corp'n, Ltd.
		{	President, Hastings Sawmill Company, Limited.
		{	Director, Canadian Pacific Railway Company.
		{	" Pacific Mills Limited.
		{	" The Toronto General Trusts Corp'n.
		{	" Vancouver Engineering Works, Ltd.

DIRECTORS—Continued

MAJ.-GEN. D. M. HOGARTH, C.M.G., D.S.O.,	TORONTO.	{	Director, Brown Oil Corporation, Limited.
		{	“ Central Porcupine Mines Ltd.
		{	“ Little Long Lac Gold Mines, Limited.
		{	“ MacLeod-Cockshutt Gold Mines, Ltd.
		{	“ Madsen Red Lake Gold Mines, Limited.
		{	“ Montclerg Mines Limited.
		{	“ Nipissing Mines Company, Limited.
		{	“ Pioneer Gold Mines of B.C., Limited.
		{	“ Sherritt Gordon Mines, Limited.
		{	“ South American Gold Areas Limited.
		{	“ Steep Rock Iron Mines, Limited.
J. M. MACKIE,	MONTREAL.	{	Sudbury Basin Mines, Limited.
		{	Transcontinental Resources Limited.
		{	“ The Transcontinental Timber Co. Ltd.
		{	President, Brinton-Peterboro Carpet Co., Limited.
		{	“ Canadian Converters' Company, Ltd.
A. C. MATTHEWS,	TORONTO.	{	Vice-President, Belding-Corticelli, Limited.
		{	Director, Manufacturers Mutual Fire Insurance Company, Providence, R.I.
		{	“ Paton Manufacturing Company, Ltd.
		{	President, Canada Malting Co., Limited.
F. GORDON OSLER,	TORONTO.	{	Director, Confederation Life Association.
		{	“ The Toronto General Trusts Corp'n.
		{	Partner, Osler & Hammond.
		{	President, Canada Permanent Mortgage Corporation.
		{	“ Canada Permanent Trust Company.
		{	Vice-President, The Manufacturers Life Insurance Company.
		{	Director, Consolidated Bakeries of Canada, Ltd.
JOSEPH M. PIGOTT,	HAMILTON.	{	“ The Consolidated Mining & Smelting Company of Canada, Limited.
		{	“ Consumers' Gas Company of Toronto.
		{	“ The Steel Company of Canada, Limited.
		{	President, Pigott Construction Company, Limited.
		{	“ Pigott Realty Company, Limited.
J. ALLAN ROSS,	TORONTO.	{	“ Wartime Housing Limited.
		{	Director, Canada Steamship Lines, Ltd.
		{	“ Consolidated Fire & Casualty Company.
		{	“ Landed Banking & Loan Company.
C. B. SHIELDS,	TORONTO.	{	President, Wm. Wrigley Jr. Company, Limited.
		{	Director, Wm. Wrigley Jr. Company, Chicago.
		{	Vice-President and General Manager, Loblaw Groceries Company, Ltd.
H. H. WILLIAMS,	TORONTO.	{	Director, Canada Bread Company, Limited.
		{	“ The Great Lakes Paper Company, Ltd.
H. H. WILLIAMS,	TORONTO.	{	Director, The Imperial Life Assurance Company.



ENTRANCE HALL
THE DOMINION BANK, TORONTO

THE DOMINION BANK

HEAD OFFICE: TORONTO

OFFICIALS

ROBERT RAE	-	-	-	<i>General Manager</i>
T. WILDING	-	-	-	<i>Assistant General Manager</i>
S. C. COOK	-	-	-	<i>Assistant General Manager</i>
C. S. HOWARD	-	-	-	<i>Chief Supervisor</i>
A. H. BAILLIE	-	-	-	<i>Eastern Supervisor</i>
A. A. ATKINSON	-	-	-	<i>Supervisor</i>
J. B. O'NEILL	-	-	-	<i>Supervisor</i>
C. A. PACK	-	-	-	<i>Chief Inspector</i>
W. B. TANNAHILL	-	-	-	<i>Secretary</i>
JOHN MILLER	-	-	-	<i>Chief Accountant</i>
JOHN DENISON	-	-	-	<i>Supervisor, Foreign Department</i>
W. O. ARCHDEKIN	-	-	-	<i>Staff Superintendent</i>
JAMES GRANT	-	-	-	<i>Superintendent of Bank Premises</i>

WESTERN OFFICIALS—WINNIPEG

R. K. BEAIRSTO	-	-	-	<i>Assistant General Manager</i>
E. R. CAMERON	-	-	-	<i>Western Supervisor</i>

BRANCHES OF THE DOMINION BANK

ONTARIO

BADEN.....	J. B. Runstedtler.....	Manager
BELLEVILLE.....	B. C. Sisler.....	Manager
BRACEBRIDGE.....	W. W. Creswick.....	Manager
BRAMPTON.....	W. E. Glenney.....	Manager
BRANTFORD.....	John McMillan.....	Manager
CHATHAM.....	W. Watts.....	Manager
COBOURG.....	J. W. Maize.....	Manager
DRESDEN.....	E. W. Slaght.....	Manager
FAIRBANK.....	S. Blues.....	Manager
FORT FRANCES.....	W. T. Russell.....	Manager
FORT WILLIAM.....	R. F. J. Ford.....	Manager
GERALDTON.....	T. J. Johnston.....	Manager
GRAVENHURST.....	T. A. Smith.....	Manager
GUELPH.....	A. H. Bazett.....	Manager
HAMILTON.....	Norman Evans.....	Manager
East End Branch (King and Wentworth Sts.).....	J. S. Dean.....	Manager
Gage Ave. Branch (Gage Ave. and Barton St.).....	J. W. L. Addleton.....	Manager
Kenilworth Ave. and Barton St.....	J. D. Ketchum.....	Manager
HESPELER.....	W. W. Heaney.....	Manager
HUNTSVILLE.....	J. G. Fraser.....	Manager
KENILWORTH.....	W. Coupur.....	Manager
KENORA.....	L. S. Nicolson.....	Manager
KIRKLAND LAKE.....	C. S. Blenkinship.....	Manager
KITCHENER.....	G. E. Hynes.....	Manager
West End Branch (King and Wilmot Sts.).....	T. Long.....	Manager
LEAMINGTON.....	A. Ritchie.....	Manager
LINDSAY.....	M. E. Grant.....	Manager
LONDON.....	H. F. Smith.....	Manager
Rectory Street Branch.....	E. K. McL. Jones.....	Manager
LONG BRANCH.....	W. H. Seabrook.....	Manager
MADOC.....	J. Walton.....	Manager
MARMORA.....	G. Murray.....	Manager
MOUNT ALBERT.....	J. A. Tilley.....	Manager
MOUNT FOREST.....	W. Coupur.....	Manager
NAPANEE.....	R. Humphrey.....	Manager
NEW TORONTO.....	W. V. Dedrick.....	Manager
NIAGARA FALLS.....	J. B. Rooney.....	Manager
ORILLIA.....	C. S. Pim.....	Manager
OSHAWA.....	C. Waite.....	Manager
	A. F. Fraser.....	Asst. Manager
South Oshawa Branch.....	J. R. Morrison.....	Manager
OTTAWA.....	W. E. Scott.....	Manager
PETERBOROUGH.....	T. T. Rodger.....	Manager
ST. CATHARINES.....	S. T. Organ.....	Manager
ST. THOMAS.....	H. G. Henderson.....	Manager

BRANCHES - ONTARIO—Continued

SARNIA.....	D. S. Hunter.....	Manager
SEAFORTH.....	E. C. Boswell.....	Manager
SUDBURY.....	R. M. Bolton.....	Manager
TIMMINS.....	F. A. Burt.....	Manager

TORONTO:

Cor. King and Yonge Sts.....	A. C. Ashforth.....	Manager
	T. F. R. Elliott.....	Asst. Manager
	J. D. N. Waugh.....	Asst. Manager
	E. S. Swallow.....	Asst. Manager
Avenue and Davenport Rds.....	P. J. Jones.....	Manager
Bloor and Bathurst Sts.....	F. R. Cochran.....	Manager
Bloor St. and Dovercourt Rd.....	W. S. Waugh.....	Manager
Bloor St. and Runnymede Rd.....	C. A. Thorpe.....	Manager
City Hall Branch.....	W. Walker.....	Manager
Danforth and Logan Aves.....	J. J. Irwin.....	Manager
Davenport and Dovercourt Rds.....	R. A. Jennings.....	Manager
Davenport Rd. and Laughton Ave.....	A. M. Slatter.....	Manager
Dufferin St. and Lappin Ave.....	D. W. Dean.....	Manager
Dundas and McCaul Sts.....	A. P. Duck.....	Manager
Dundas St. and Runnymede Rd.....	R. R. Rogers.....	Manager
Dupont and Christie Sts.....	R. W. M. Thomson.....	Manager
Lawrence Park (cor. Yonge St. and Lawrence Ave.).....	D. A. Burns.....	Manager
Leaside Branch (588 Bayview Ave.).....	Wm. Davidson.....	Manager
Market Branch (King and Jarvis Sts.).....	W. W. Duncan.....	Manager
Parkdale (Queen St. and Jameson Ave.).....	L. G. Babcock.....	Manager
Queen St. and Augusta Ave.....	G. M. Chesney.....	Manager
Queen St. and Broadview Ave.....	A. H. Black.....	Manager
Queen and John Sts.....	R. R. Buchanan.....	Manager
Queen St. and Lee Ave.....	G. R. Cook.....	Manager
Queen St. and Ossington Ave.....	M. E. Roberts.....	Manager
Queen and Sherbourne Sts.....	T. C. Glenn.....	Manager
Queen and Victoria Sts.....	M. S. Burger.....	Manager
Queen's Quay Branch.....	D. S. Bloxham.....	Manager
Roncesvalles and Howard Park Aves.....	C. W. McMichael.....	Manager
Rosedale (Sherbourne and Bloor Sts.).....	N. J. O'Flynn.....	Manager
St. Clair Ave. and Dufferin St.....	F. A. Boulden.....	Manager
St. Clair Ave. and Vaughan Rd.....	C. A. R. Hunter.....	Manager
Spadina Ave. and Adelaide St.....	Joseph Johnson.....	Manager
Spadina Ave. and College St.....	W. S. Pate.....	Manager
West Toronto Branch.....	F. E. Havill.....	Manager
Yonge St. and Eglinton Ave.....	W. B. Macdonald.....	Manager
Yonge and Gerrard Sts.....	W. D. Kelly.....	Manager
Yonge and Hayden Sts.....	J. M. R. Torrie.....	Manager
Yonge St. and Marlborough Ave.....	E. E. Abbott.....	Manager
Yonge St. and St. Clair Ave.....	T. W. Joyce.....	Manager

BRANCHES—Continued

TORONTO—Continued

Yonge St. and Teddington Park Ave.	G. J. Vicars	Manager
York and Adelaide Sts.	R. B. Hunter	Manager
UXBRIDGE	D. D. Dunsire	Manager
WELLAND	E. W. McCrindle	Manager
WHITBY	J. C. Taylor	Manager
WINDSOR	F. F. Hull	Manager
WINGHAM	G. C. Gammage	Manager

QUEBEC

MONTREAL	W. A. Fisher	Manager
	P. E. J. Netterfield	Asst. Manager
Beaubien and Christophe Colomb Sts.	E. E. Baldwin	Manager
Bleury and St. Catherine Sts.	J. K. Muir	Manager
	P. Kennedy	Asst. Manager
Dominion Square Branch (Peel and St. Catherine Sts.)	W. J. Dundas	Manager
Guy and St. Catherine Sts.	E. F. Morris	Manager
St. Jean Baptiste Market	A. S. Jamieson	Manager
St. Lawrence Blvd. Branch (St. Lawrence Blvd. and Prince Arthur St.)	P. C. Marsh	Manager
	W. H. Hodgkin	Asst. Manager
ROUYN	James Steele	Manager

MANITOBA

BRANDON	J. Addison	Manager
DELORAINÉ	A. Morton	Manager
St. BONIFACE (Union Stock Yards Branch)	R. G. Pinkerton	Manager
SELKIRK	R. A. Glendinning	Manager
THE PAS	L. W. Saul	Manager
WINNIPEG	R. K. Beairsto	Manager
	E. D. White	Asst. Manager
Main St. and Redwood Ave.	W. D. Cockerill	Manager
North End (Main St.)	B. E. Elmore	Manager
Notre Dame Ave. and Sherbrook St.	G. Watson	Manager
Portage Ave. and Kennedy St.	C. O. Bell	Manager
Portage Ave. and Sherbrook St.	J. G. Foggo	Manager

SASKATCHEWAN

GRENFELL	C. H. Johnston	Manager
MOOSE JAW	A. Tomkins	Manager
REGINA	W. A. Radcliff	Manager
SASKATOON	L. C. Brown	Manager

BRANCHES—Continued

ALBERTA

CALGARY.....	B. E. Hull.....	Manager
EDMONTON.....	M. C. Fraser.....	Manager
MEDICINE HAT.....	W. S. Ashley.....	Manager

BRITISH COLUMBIA

VANCOUVER.....	C. W. Jones.....	Manager
Pender and Howe Sts.....	J. R. Gulloch.....	Manager
Robson and Hornby Sts.....	C. B. Pearson.....	Manager
VICTORIA.....	D. McMillan.....	Manager

NEW BRUNSWICK

SAINT JOHN.....	R. W. Thurston.....	Manager
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LONDON, ENGLAND

3 KING WILLIAM ST., E.C.4.....	Percival Huffman.....	Manager
	E. W. Booth.....	Asst. Manager

NEW YORK AGENCY, U.S.A.

49 WALL ST.....	A. W. Rice.....	Agent
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CHIEF CORRESPONDENTS

- GREAT BRITAIN - Bank of England.
Barclays Bank Limited.
British Overseas Bank, Limited.
Lloyds Bank Limited.
National Bank of Scotland, Limited.
Union Bank of Scotland, Limited.
- AFRICA - - - - - Barclays Bank (Dominion, Colonial and Overseas).
- AUSTRALASIA - - Bank of New South Wales.
Commercial Bank of Australia, Limited.
National Bank of Australasia, Limited.
- CHINA - - - - - American Express Co.
Chartered Bank of India, Australia and China.
Chase Bank.
Hong Kong and Shanghai Banking Corporation.
National City Bank of New York.
- SOUTH AMERICA - Bank of London and South America, Limited.
National City Bank of New York.
Banco Do Brasil S.A.
- SWEDEN - - - - - Svenska Handelsbanken.
- SWITZERLAND - - Banque Federale.
Banque Populaire Suisse.
- WEST INDIES - - Barclays Bank (Dominion, Colonial and Overseas).
National City Bank of New York.

CHIEF CORRESPONDENTS—Continued

UNITED STATES

BOSTON, MASS.	- -	First National Bank of Boston. National Shawmut Bank of Boston.
BUFFALO, N.Y.	- -	Liberty Bank of Buffalo. Marine Trust Company of Buffalo.
CHICAGO, ILL.	- -	Continental Illinois National Bank and Trust Company of Chicago.
CINCINNATI, O.	- -	First National Bank.
CLEVELAND, O.	- -	National City Bank of Cleveland.
DETROIT, MICH.	- -	Commonwealth Bank. National Bank of Detroit. The Detroit Bank.
DULUTH, MINN.	- -	First and American National Bank.
LOS ANGELES, CAL.	-	Bank of America National Trust and Savings Association.
MINNEAPOLIS, MINN.	-	First National Bank and Trust Company of Minneapolis. Northwestern National Bank and Trust Company of Minneapolis.
NEW YORK, N.Y.	-	National City Bank of New York. Bankers Trust Company. Central Hanover Bank and Trust Company. Chase National Bank of the City of New York. Continental Bank and Trust Company of New York. Corn Exchange Bank Trust Company. Guaranty Trust Company of New York. Irving Trust Company.
PHILADELPHIA, PA.	-	Central-Penn National Bank of Philadelphia. First National Bank. Philadelphia National Bank.
PITTSBURGH, PA.	- -	First National Bank at Pittsburgh. Peoples-Pittsburgh Trust Company.
ST. LOUIS, MO.	- -	Mercantile-Commerce Bank and Trust Company.
ST. PAUL, MINN.	- -	First National Bank of St. Paul.
SAN FRANCISCO, CAL.	-	Bank of California, N.A. Bank of America National Trust and Savings Association.
SEATTLE, WASH.	- -	Bank of California, N.A. National Bank of Commerce of Seattle.
WASHINGTON, D.C.	-	Riggs National Bank of Washington.

GENERAL STATEMENT, YEAR

<u>ASSETS</u>	
Subsidiary coin held in Canada.....	\$ 240,514.67
Subsidiary coin held elsewhere.....	177.62
	\$ 240,692.29
Notes of Bank of Canada.....	\$ 3,079,393.75
Deposits with Bank of Canada.....	19,602,994.25
	22,682,388.00
Notes of other Chartered Banks.....	147,445.00
Government and Bank notes other than Canadian..	102,959.24
Cheques on other Banks.....	8,228,623.02
Due by Banks and Banking Correspondents elsewhere than in Canada.....	8,389,318.73
	\$39,791,426.28
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value.....	59,064,358.20
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value.....	24,568,050.27
Canadian Municipal Securities, not exceeding market value.....	1,365,919.13
Public Securities other than Canadian, not exceeding market value.....	776,093.39
Other Bonds, Debentures and Stocks, not exceeding market value.....	1,394,431.69
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	1,046,618.13
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	2,271,027.76
Deposit with the Minister of Finance for the security of note circulation.....	182,810.00
	\$130,460,734.85
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for.....	\$70,495,711.54
Loans to Provincial Governments.....	651,671.02
Loans to Cities, Towns, Municipalities and School Districts.....	186,208.00
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for.....	279,941.79
Non-current Loans, estimated loss provided for.....	130,463.52
Bank Premises, at not more than cost, less amounts written off.....	5,233,625.42
Real Estate other than Bank Premises.....	18,483.21
Mortgages on Real Estate sold by the Bank.....	23,446.93
Other Assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes).....	203,156.99
	77,222,708.42
Liabilities of Customers under Acceptances and Letters of Credit, as per contra.....	4,759,996.45
	<u>\$212,443,439.72</u>

ENDED 31st OCTOBER, 1942

LIABILITIES

Capital paid up.....		\$ 7,000,000.00
Reserve Fund.....	\$ 7,000,000.00	
Balance of profits as per Profit and Loss Account...	866,501.60	
Dividend No. 240, payable 2nd November, 1942....	140,000.00	
Former Dividends unclaimed.....	851.32	
		<u>8,007,352.92</u>
Total Liabilities to the Shareholders.....		\$ 15,007,352.92
Notes of the Bank in circulation.....	\$ 3,519,749.00	
Deposits by and balances due to Dominion Government.....	\$10,532,396.86	
Deposits by and balances due to Provincial Governments.....	1,932,878.03	
Deposits by the public not bearing interest.....	83,520,890.96	
Deposits by the public bearing interest, including interest accrued to date of statement.....	88,653,606.08	
		<u>184,639,771.93</u>
Deposits by and balances due to other Chartered Banks in Canada.....	2,827,331.57	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries.....	912,469.44	
Liabilities to the public not included under the foregoing heads.....	776,768.41	
		<u>192,676,090.35</u>
Acceptances and Letters of Credit outstanding.....		<u>4,759,996.45</u>
		<u><u>\$212,443,439.72</u></u>

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

WE REPORT TO THE SHAREHOLDERS OF THE DOMINION BANK:—

That we have examined the above Balance Sheet as at 31st October, 1942, and compared it with the books at Head Office and with the certified returns from the branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at 31st October, 1942, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.

D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

Toronto, 17th November, 1942.



MAIN BANKING ROOM
THE DOMINION BANK, TORONTO

THE DOMINION BANK

PROCEEDINGS

of the

Seventy-Second Annual General Meeting

of the

Shareholders

THE SEVENTY-SECOND Annual General Meeting of the Shareholders of The Dominion Bank was held at the Banking House of the Institution, Toronto, on Wednesday, 9th December, 1942, at 2.30 p.m.

Among those present were:

A. C. Ashforth, R. K. Beirsto (Winnipeg), Evan A. Begg, A. M. Bethune, A. H. Black, C. A. Bogert, E. R. Cameron (Winnipeg), Colin Campbell, C. H. Carlisle, S. C. Cook, John S. Entwistle, R. J. Gourley (Winnipeg), Frank A. Harrison, John T. Hepburn, C. S. Howard, Arthur H. Lake, Charles E. Lee, Arthur Macdonald, A. MacFadyen, James V. Macfarlane, John M. Mackie (Montreal), A. C. Matthews, G. R. Medland, J. W. Medland, R. S. McLaughlin (Oshawa), Lewis A. Neelands, James Nicholson, F. Gordon Osler, John P. Patterson, Joseph M. Pigott (Hamilton), A. K. Pringle, Robert Rae, A. W. Rice (New York), J. Allan Ross, Charles B. Shields, W. Walker, J. W. B. Walsh, H. H. Williams.

The President, Mr. C. H. Carlisle, having taken the chair, Mr. C. S. Howard was appointed to act as Secretary of the Meeting and Messrs. Evan A. Begg and J. W. B. Walsh as Scrutineers.

At the request of the Chairman, the notice calling the Meeting was read by the Secretary. The Minutes of the last Annual General Meeting were taken as read and were confirmed.

The Chairman then called upon the Secretary to read the Directors' and the Auditors' Reports.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present the following Statement of the result of the business of the Bank for the year ended 31st October, 1942, and a General Statement of the Assets and Liabilities as of that date.

Balance of Profit and Loss Account, 31st October, 1941	\$ 865,511.00
The Profits for the year ended 31st October, 1942, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and after deducting Dominion Government Taxes of \$537,246.23, (of which \$15,857.73 is refundable under the provisions of The Excess Profits Tax Act) amounted to.....	920,990.60
	\$1,786,501.60
Dividends Nos. 237, 238 and 239 at ten per cent. per annum.....	\$525,000.00
Dividend No. 240 at eight per cent. per annum.....	140,000.00
	\$665,000.00
Contribution to Officers' Pension Fund..	105,000.00
Written off Bank Premises.....	150,000.00
	920,000.00
Balance of Profit and Loss Account carried forward...	<u><u>\$ 866,501.60</u></u>

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

During the fiscal year ten Branches of the Bank were closed—nine in Ontario and one in Manitoba. The business of two of such Offices was transferred to Branches of our own while that of the remainder was exchanged with other banks on a reciprocal basis.

All the Offices of the Bank, including the Head Office, have been inspected during the year.

Mr. Charles B. Shields was elected to the Board of Directors. Mr. Robert Rae was also elected a Director and a Vice-President.

The Shareholders' Auditors, Mr. A. B. Shepherd, F.C.A. and Mr. D. McK. McClelland, F.C.A., have made their examination of the Bank's affairs and their report is appended to the Balance Sheet.

4th December, 1942.

C. H. CARLISLE,
President.

The Chairman then asked the General Manager to make his comments on the year's operations.

ANALYSIS OF THE PROFIT AND LOSS ACCOUNT
AND BALANCE SHEET BY MR. ROBERT RAE,
GENERAL MANAGER

The Secretary of the Meeting has read the statement of the Bank's profits and the disposition made of them. For the first three quarters of the year the dividend was paid at the usual rate of 10% per annum, but owing to new Government legislation and increased operating costs, your Directors decided, commencing with the quarterly dividend payable on November 1st, 1942, to reduce the rate to 8% per annum. After providing \$665,000 for the payment of dividends, making a contribution of \$105,000 to the Officers' Pension Fund, paying Dominion Government taxes totalling \$537,246, up \$88,242 from the previous year, the sum of \$150,000 was written off Bank Premises Account. The balance at credit of Profit and Loss Account stands at \$866,501.

You have before you a copy of the Bank's Annual Statement submitted to-day, and I shall now refer to the principal items:

Notes of the Bank in Circulation were \$3,519,749, a decrease of \$669,790, reflecting the reduction of 10% required by The Bank Act.

DEPOSITS

Total Deposits amounted to \$184,639,771, an increase of \$41,488,237 compared with a year ago. This increase was—\$34,809,987 in deposits by the public not bearing interest; \$5,391,899 in deposits bearing interest and \$1,286,351 in Dominion and Provincial Government deposits. The increase in non-interest bearing deposits is due to larger balances maintained by a number of our more important customers, evidencing marked liquidity in their affairs.

Deposits by and Balances due to other Chartered Banks in Canada and Banking Correspondents elsewhere than in Canada (principally in England and the United States) total \$3,739,801, an increase of \$474,810.

Acceptances and Letters of Credit Outstanding total \$4,759,996 and are \$2,430,769 higher than a year ago, reflecting increased business activity.

CASH ASSETS

Cash Assets, \$39,791,426, are equivalent to 20.66% of the public liabilities, and readily realizable assets, including Government, Municipal and other bonds, and Call and Short Loans, amounted to \$130,460,734, or 67.71% of the liabilities to the public. These figures show that your Bank is in a very strong and liquid position.

Investments in Securities were the highest in the history of the Bank and totalled \$87,168,852 compared with \$42,648,169 a year ago. Of the total, \$83,632,408 is in Dominion and Provincial Government securities, and includes \$33,355,000 Dominion of Canada $\frac{3}{4}$ % Deposit Certificates—our share of special financing arranged during the past summer between the Government and the Banks. Since our books were closed, \$10,040,000 of these Certificates have been retired. These investments were entered in the Statement at less than the market prices prevailing on the 31st October, 1942.

COMMERCIAL LOANS

Call and Short Loans in Canada, \$1,046,618, decreased \$460,416, and Call and Short Loans elsewhere than in Canada, \$2,271,000, are up \$403,299 from a year ago.

It has always been the policy of this Bank to develop a sound commercial loaning business, and the total loans in this category, \$70,495,711, while down \$8,321,687 from the 31st October, 1941, may be considered satisfactory.

The change-over from ordinary business to war work by many industrial organizations, with the accompanying increase in volume, has placed them in a very much stronger cash position. This, together with the smaller inventories of our merchants, explains the decline in the demand for advances; as a matter of fact, many of our former borrowing customers are now able to finance their operations without aid from us.

Loans to Provincial Governments, and to Cities, Municipalities, etc., \$837,879, show but slight change, being down \$112,897 from a year ago.

Current Loans and Discounts elsewhere than in Canada, \$279,941, represent temporary self-liquidating transactions at New York and London, England.

Non-current Loans, \$130,463, are down \$15,702 from a year ago, when they totalled \$146,165.

BANK PREMISES

At the end of the year, Bank Premises Account amounted to \$5,233,625, a decrease of \$153,306. Minor repairs only were made during the fiscal period.

In conformity with the policy of the Banks in an effort to conserve manpower, we discontinued the following Branches, in most cases transferring the business to other Banks and taking over, on a reciprocal basis, that of their closed offices at other points:

Boissevain, Man.
Brooklin, Ont.
Porcupine, Ont.
Rosseau, Ont.
Woodstock, Ont.
Toronto—Bay and St. Albans Sts.
“ Danforth and Leyton Aves.
“ Gerrard St. and Coxwell Ave.
“ Mt. Pleasant Rd. and Hillsdale Ave.
Hamilton—King and McNab Sts.

STAFF

In regard to the Staff, I may say that 540 of our men and women, at great personal sacrifice, are now on active service. With deep regret, I have to report that our record of casualties is increasing. Up to the 31st October last, eight of our men had lost their lives, three had been reported missing and three were prisoners of war. I feel sure that the Shareholders of the Bank will join us not only in sympathizing with the relatives of those who will not return, but in recording our pride in the achievements of those men and the records they have left behind them.

The members of London, England, Staff continue to perform their duties cheerfully and loyally under the inevitable strain of wartime conditions.

Our Staff now numbers 1,477, of whom 805 are women. Special credit is due to the latter for the efficient manner in which they have performed their varied duties, in many cases after only a short period of training. Enlistments

have been so heavy that we have had great difficulty in maintaining our usual standard of service, but our Staff endeavour from day to day to overcome the difficulties which beset them and I should like to record my personal appreciation of their services.

We all have reason to be thankful for the successes gained by the Allied forces in Russia, North Africa, New Guinea and the Solomon Islands and trust that the turning point in the war has been reached. Meantime, it behooves us all, whether in the armed forces or in civilian life, to do our utmost for the cause for which we fight. The Dominion Bank will continue to do its part in the all-out effort now being made to achieve Victory.

ADDRESS BY MR. C. H. CARLISLE,
PRESIDENT

The uppermost thought of the Canadian people is the successful prosecution of the war—its final outcome, its effect on us as individuals and on our country as a whole. We have dedicated ourselves, our industries, our enterprises, our all, to this end. We have furnished, and will continue to furnish, great quantities of food, motor-trucks, tanks, planes, guns, ships, ammunition and about every other kind of war equipment. We have furnished money in such gigantic amounts that only few, if any, can understand or visualize. The duty of repayment will be the heritage of two, three or more generations that are to follow us.

BANK'S OPERATIONS GREATLY INCREASED

War necessarily changes our customary way of doing things. This not only applies to us as individuals, but to business in all of its different activities—banking being no exception. Due to the war the Bank's operations have greatly increased in volume and variety; its cost of operations has increased; its rate of income has decreased; from the normal standard, the number of men employees has decreased thirty-seven per cent.—they have been replaced by girls and women who have had to be trained for the work to be done. Through increased volume of business and rigid economy we have been able to offset some of our disadvantages, to the extent that we present to you the fiscal statement revealing such value that we trust it merits your approval.

A COMPARISON OF WAR INTEREST RATES

It may be interesting and also informative to make a few comparisons of items of major importance in the last war, the present war, and the intervening period. In the War of 1914–1918 the average annual interest rate on all borrowings by the Dominion of Canada (up to and including the final Victory Loan in November, 1919) was approximately 5.35%. Corresponding rates then prevailed among other belligerent nations. During that war \$220,000,000 was borrowed by Canada in New York, and a further \$150,000,000 of bonds were issued and made payable either in Canada or in United States; therefore, interest and principal payments were subject to premium on United States currency.

This premium averaged 12% in the years 1920 and 1921. Therefore, the actual cost of these loans to us was greater than indicated by the above-mentioned average rate.

TAX-FREE BONDS

All issues, other than the Victory Loan of 1919, were exempt from income tax, causing a substantial loss in Government taxation revenue. In 1920, for example, there was in effect in Canada a normal tax of 4% upon net incomes below \$6,000 and 8% upon net incomes above \$6,000; in addition there were surtaxes ranging from 4% upon incomes between \$10,000 and \$12,000 to 64% upon the portion of an individual's income exceeding \$500,000. These tax-free bonds gradually passed into the hands of those with substantial incomes who paid a premium as high as 20% for them. There is no method to accurately ascertain the loss in taxation revenue, but it is evident it was quite material.

MONETARY RATES AT ALL-TIME LOW

During the present war the average rate of interest on Dominion of Canada public and bank borrowings, including Treasury Bills, is less than 2.20%. A comparison of this rate with the 5.35% rate of the last war—which does not include the cost of exchange or the loss due to the non-taxable feature of the loans—shows a very striking result: that is, in the last war \$5.35 financed \$100.00; in this war it finances \$243.18, or, at the same cost we can currently finance an amount greater by 143%. There are two principal causes for the present low rate of our recent financing: first, monetary rates over quite a period of time—both in the United States and Canada—have been at an all-time low and, second, compulsory Governmental control of interest rates through the Bank of Canada.

INFLATION DISRUPTS OUR ECONOMIC CONDITIONS

The aftermath of inflation is a painful readjustment to normal of our distorted conditions. A brief review of the last three inflationary periods likely would be of assistance to us in evaluating our present and post-war conditions.

The period 1914-1920 shows a rapid and fairly relative increase in wages, commodity and farm prices, real estate, industrial stocks, etc. The year 1920 showed an average increase on the above items of somewhat over 110% com-

pared with the prices existing in 1914. These inflated conditions resulted, as they always do, in disrupting our economic conditions, creating excessive spending and waste, and establishing a corresponding debt. Many of us remember the disastrous result that followed in 1921.

PENALTIES OF INFLATION

The next period of inflation was 1924-1929. During this period prices of many items did not advance materially and some were even lower than in the previous period, with the exception of industrial stocks which, on the New York market, advanced 99%. The prices of industrial stocks as of August 31st last, compared with those existing in 1929, show a decrease of 74%, or, in other words, the value is only 26% of that of 1929. During the period 1924-1929 financing bore heavily on the borrower, as call loan rates reached a high of 20%. The inflation of the stock market drew into its net all classes of people; business was adversely affected—both domestic and foreign. The results, generally, were devastating over a period of several years—and especially to those who were responsible for the inflation.

The third period of inflation, 1939-1942. During the three-year period of the war there are two items that show rapid inflation: one is farm prices and the other is industrial wages.

FARMER AND FARMING PRIME FACTORS

The rapid advance in farm prices apparently is surprisingly high, but there are compensating conditions that must be taken into account. At the outbreak of the war farm prices were only on a parity with those of 1914. Therefore, an increase of 32% over these sub-normal prices does not seem to be unjust when we take into consideration the farmer's increased costs. Labour costs the farmer twice as much, or more, than formerly. Again, the farmer has no certainty of securing experienced labour and, therefore, is in a quandary as to the stock that he may raise or the products that he may grow. This year portions of his crop remained unharvested. Farm prices should not be permitted to further increase, but Government should see to it that the farmer's costs are decreased, providing him at all times a reasonable profit. We must not overlook the fact that the farmer and farming are always prime factors in our national

life. In time of war we should leave nothing undone to secure the maximum effort of the farmer.

LABOUR—PRODUCTION AND WAGES

Inflation of industrial wages is creating a dangerous situation for labour and others, and must necessarily culminate in a crash as devastating as or greater than that caused by the stock speculation of 1929. At the outbreak of the war wages were at an all-time high, and have increased since then, as of September last, 24.3%. During the present war strikes have been too numerous and for less cause, and production unnecessarily retarded. Owing to the high wages paid and shorter hours worked, labour has been drawn from other sources—and especially from the farm to the factory—thereby unbalancing our production as a whole. A high percentage of industrial labour is employed on the production of essential war materials paid for by governments, and therefore, has little relation to normal peacetime conditions.

LOW AND ECONOMIC COSTS ESSENTIAL

Following the cessation of the war, production will be governed by the ability of the consumer to purchase, and that ability in turn will be measured by the then income. We can only sell our products in foreign markets when we can offer them on a basis competitive in quality, in price and in service. Therefore, we must keep in mind that low and economic costs will be a determining factor in our volume of business.

CONSCRIPT OUR MANPOWER

Under normal conditions none of us would choose regimentation or a dictatorship, or anything that would even be similar to dictatorship, but in time of war it is difficult to keep all of our activities in a well-balanced condition; therefore, to attain the maximum co-ordination of effort and to serve our best interests, it is essential that Government should assume extraordinary powers to the end that all of our activities may be conducted equitably to the greatest benefit of all. It is quite evident that in the adequate exercise of such powers it is necessary to conscript in its entirety our manpower, and then impartially to distribute men where their services are essentially required. Conscription does not mean that all men enter the fighting forces.

Fifteen men are required for home activities to each man entering the armed forces. Those fifteen men remaining at home should be carefully selected and placed so that their efforts yield the maximum for the maintenance of those in service, and provide for our home requirements. If we are to succeed we can not longer continue to depend on the haphazard methods that have continually thrown us out of balance. Necessity will likely compel us to make this change.

CAPITAL AND LABOUR—MUTUAL AND PARALLEL

Although one may be critical of the things not well done, he may commend the things well done. History will commend the things that Canada has done well in this war, and due credit will be accorded for the efficiency of the men and women who have given their very best efforts in these times of stress, and to those who have served in the first lines of battle. It would be an empty victory indeed if not followed by a greater unity among our people, a greater recognition of equality of their rights, a compulsion of equal responsibilities; further, in a rational and successful democracy the right and responsibility of incorporated bodies—either capital or labour—should be mutual and parallel. This is a just right that Government owes to people at large.

CANADIAN ACHIEVEMENTS

War always presents a dark picture, but notwithstanding this Canadians may have many comforting reflections. Our country has an intelligent people. Our natural resources are great and are producing abundantly. Our farms this year have given us products to the value of over \$1,800,000,000. Taxes have been collected in sufficient amounts to pay 52% of our total expenditures. Since the commencement of this war we have sold, on the home market, bonds totalling over \$3,500,000,000; all issues have been oversubscribed—the last one by \$250,000,000. More people subscribed to the recent issue of bonds than at any time heretofore. Through the low rate of bond financing and the high rate of taxation, incomes have been reduced to a minimum. We do not complain, but we do, as a right, demand that our efforts be not impaired or frustrated by the inefficiency or partiality of Governmental administration.

I move the adoption of the Report.

Mr. R. S. McLaughlin—I have much pleasure in seconding the motion.

The motion to adopt the Report was then presented to the Meeting and was carried unanimously.

It was moved by Mr. G. R. Medland and seconded by Mr. A. K. Pringle:

THAT Mr. A. B. Shepherd, F.C.A., of Peat, Marwick, Mitchell and Company, and Mr. D. McK. McClelland, F.C.A., of Price, Waterhouse and Company, be appointed Auditors to hold office until the next Annual General Meeting, and that their remuneration be fixed at a sum not to exceed \$12,000. (Motion carried.)

It was moved by Mr. A. MacFadyen and seconded by Mr. J. T. Hepburn:

THAT the Board of Directors for the ensuing year be: C. A. Bogert, Col. the Hon. Herbert A. Bruce, M.D., F.R.C.S. (Eng.), LL.D., M.P., C. H. Carlisle, R. Y. Eaton, R. J. Gourley, Col. the Hon. E. W. Hamber, LL.D., Maj.-Gen. D. M. Hogarth, C.M.G., D.S.O., J. M. Mackie, A. C. Matthews, R. S. McLaughlin, F. Gordon Osler, Joseph M. Pigott, Robert Rae, J. Allan Ross, C. B. Shields, H. H. Williams, and,

THAT a ballot box be now opened for the receipt of ballot papers for the appointment of Auditors and for the election of Directors, and that the poll be closed at four o'clock in the afternoon or so soon before that hour as five minutes shall have elapsed without any further vote being cast, and that the Scrutineers do certify the result of the poll to the Chairman of the Meeting. (Motion carried.)

The Chairman—You will notice two names on the ballot that have not appeared heretofore, they are Mr. Robert Rae and Mr. Charles B. Shields.

Mr. Rae needs no introduction as he has been with the Bank since boyhood and has served you as General Manager for some years. It is most encouraging to see a boy start in at the lowest position that is available and, without any

setbacks, move from one post to another up to that of General Manager; then to be made a member of the Board of Directors, with the further acknowledgment of his services by the Board in appointing him a Vice-President. This comes as a result of work well done and of the confidence that has been placed in him by the Shareholders, by the Board of Directors and, I think, by everyone on the staff.

Mr. Shields is still a young man compared with some of us—a man who has a good business record and an analytical mind; a man of high character and of good judgment. I am sure you will find him an asset on the Directorate of the Bank. He is the type of man who always puts business ahead of personal interests. He has served with me on the Board of the Great Lakes Paper Co. Ltd. and is serving now on the Canada Bread Co. Ltd. Board, therefore, I can speak from experience as to his ability as a Director.

The ballots having been taken, the Scrutineers reported to the Chairman that Messrs. A. B. Shepherd, F.C.A., and D. McK. McClelland, F.C.A., had been appointed Auditors and the appropriation for their remuneration authorized, and that the gentlemen nominated as Directors had been duly elected Directors for the ensuing year.

The Chairman thanked the Shareholders for their attendance and the Meeting then terminated.

At a subsequent meeting of the Board of Directors, Mr. C. H. Carlisle was elected President, Mr. C. A. Bogert, Chairman of the Board, and Mr. R. S. McLaughlin and Mr. Robert Rae, Vice-Presidents, for the ensuing year.

The Annual Statement with copy of the Profit and Loss Account, and the Minutes of the Annual Meeting are sent to the Shareholders in accordance with the provisions of Section 53 of the Bank Act.



